GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:719
ANSWERED ON:21.07.2016
Coastal Shipping
Choubey Shri Ashwini Kumar

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government is aware that shipment process at customs etc. is extremely slow vis-a-vis other modes of transport in the country resulting in unwillingness of the companies to use the coastal shipping modes;
(b) if so, the remedial measures taken/ being taken by the Government to make it more user-friendly; and
(c) whether the Government proposes to introduce new schemes for the benefits of coastal shipping users with regard to taxes and duties etc.?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

(a)&(b):The Government is aware of the need to facilitate faster movement of coastal cargo. With the aim of simplification of procedures governing the movement of coastal goods, the Central Board of Excise and Customs(CBEC) has exempted the vessels carrying exclusively coastal goods and operating from coastal or EXIM berths, from the provisions of sections 92(relating to entry of coastal goods), 93(relating to loading of coastal goods), 94(relating to clearance of coastal goods at destination), 95(relating to carrying of advice book by Master of a coastal vessel), 97(relating to non leaving of a coasting vessel without written order) and sub section(1) of section 98(relating to application to coastal goods of certain provisions of the Act as they apply to imported goods or export goods) of Customs Act, 1962. Also, there shall be no examination of coastal goods by Customs.

(c) The Government has exempted customs and Central Excise duty on bunker fuels (IFO 180 and IFO 380 CST) for use by coastal vessels carrying mix of EXIM cargo or empty and domestic containers between two ports in India. Also, the abatement of service tax has been brought at 70% for coastal shipping at par with road and rail. Further, shipping companies have been allowed to charge service tax at abated rate on freight income and avail CENVAT credit on input services.
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